

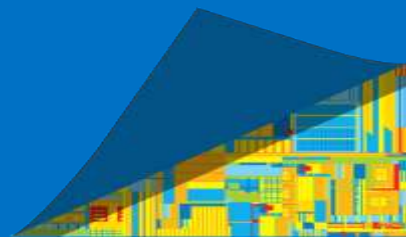


The Economy and ICT

Intel London Analyst Summit

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May 19. 2014



Risk Factors

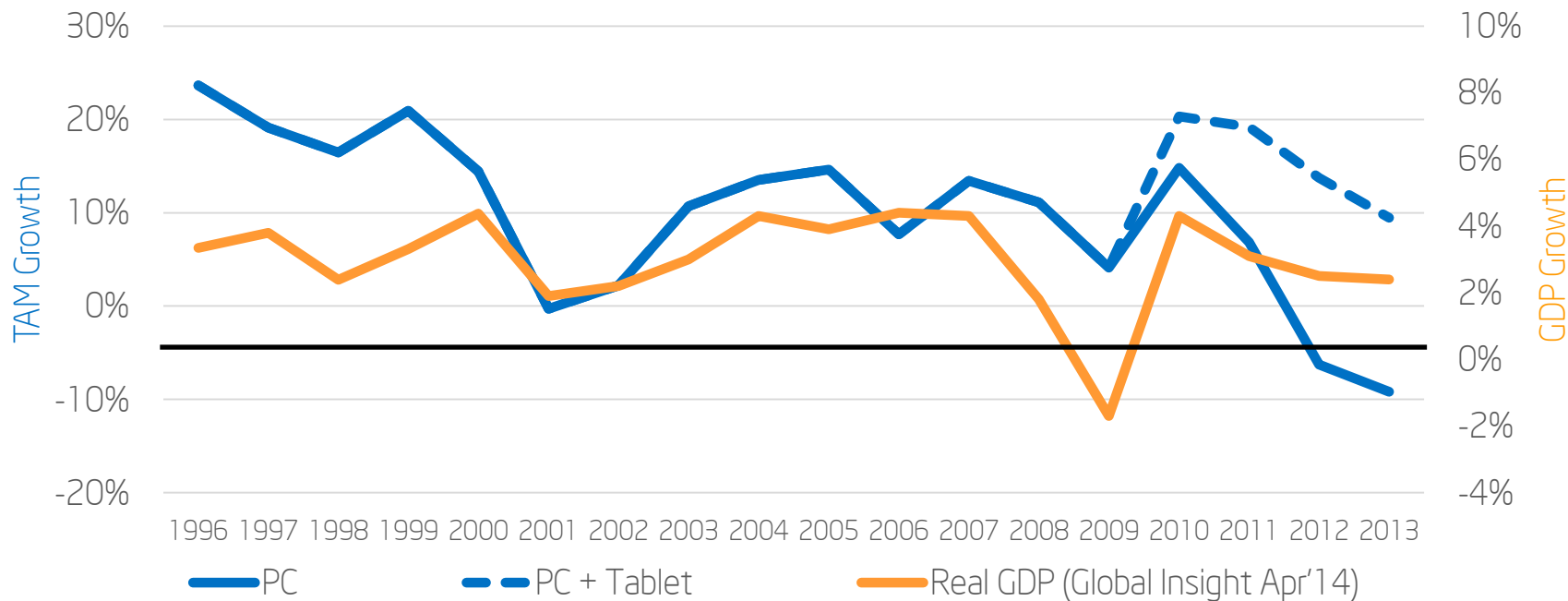
Today's presentations contain forward-looking statements. All statements made that are not historical facts are subject to a number of risks and uncertainties, and actual results may differ materially. Please refer to our most recent earnings release, Form 10-Q and 10-K filing available for more information on the risk factors that could cause actual results to differ.

If we use any non-GAAP financial measures during the presentations, you will find on our website, intc.com, the required reconciliation to the most directly comparable GAAP financial measure.

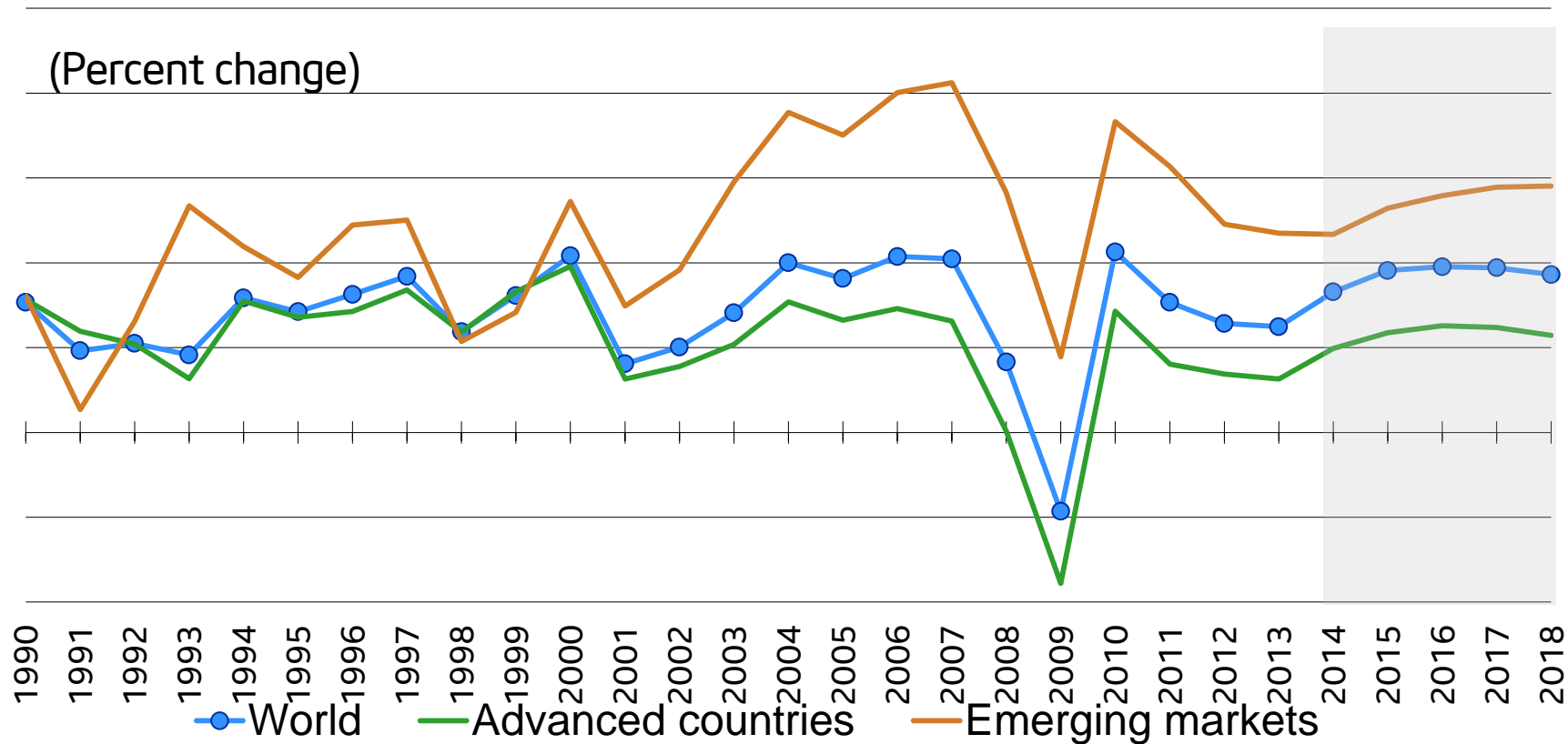
Economic Trends

The Economy Matters ... *and* PCs + Tablets are the New PCs

Real GDP vs. PC and Tablet TAM, YoY % Growth

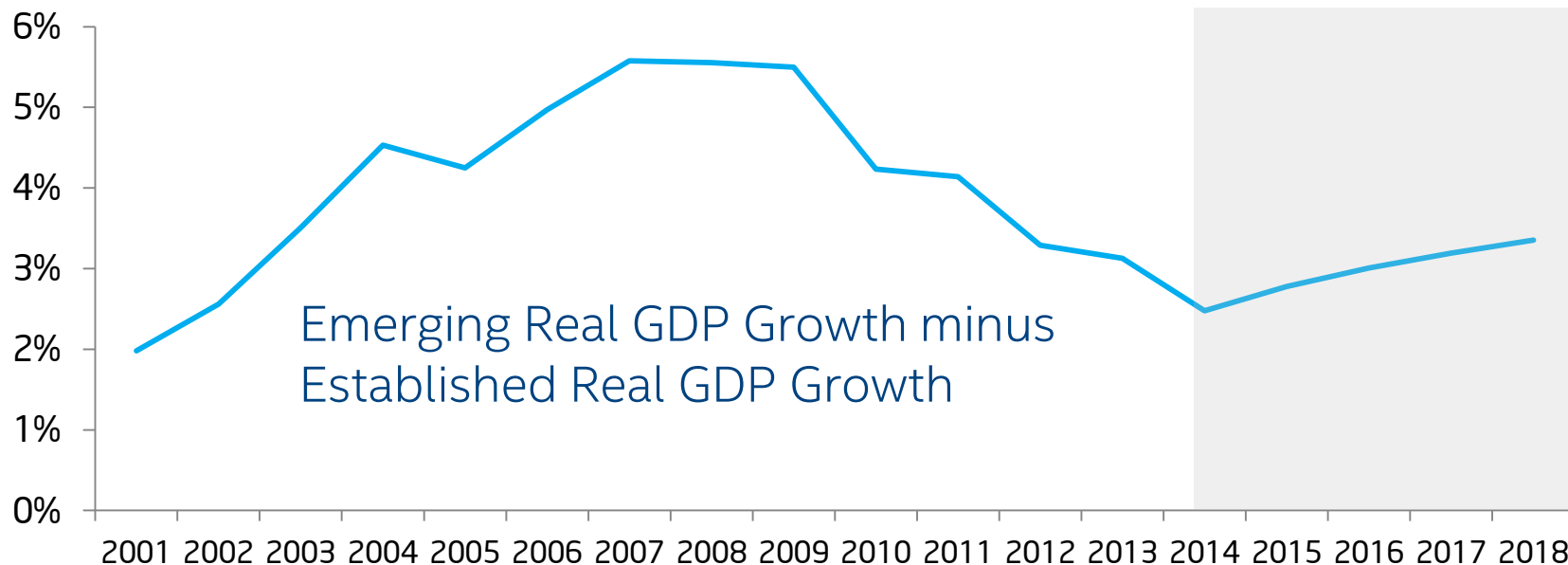


Global real GDP growth forecast to strengthen



Gap Between Emerging and Established Markets' GDP Growth has Narrowed

April 2014 Forecast

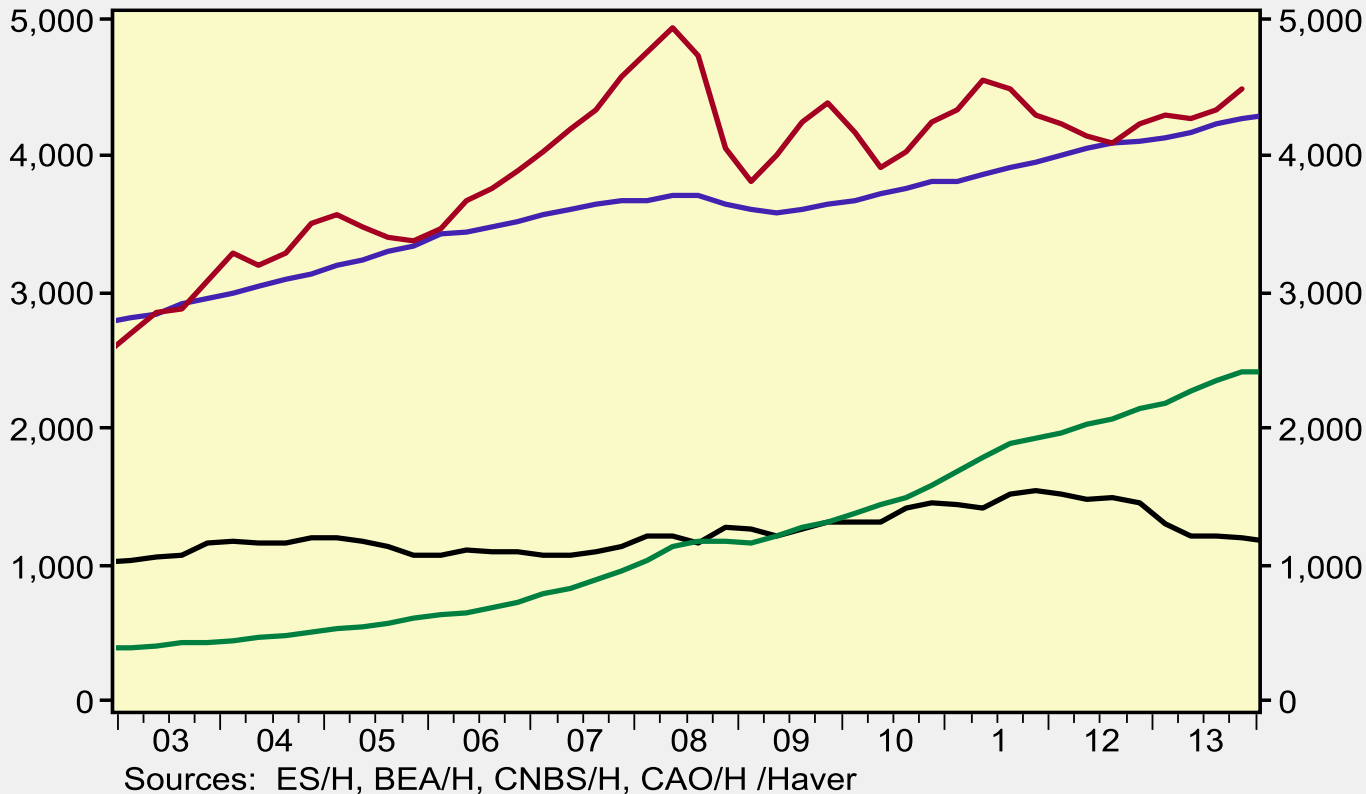


EU 28: Gross Domestic Product (SA/WDA, Bil.US\$)

U.S.: Gross Domestic Product (SA, Bil.US\$)

China: Gross Domestic Product (SA, Bil.US\$)

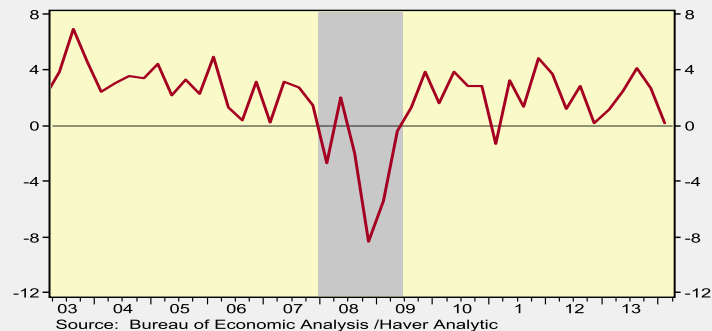
Japan: Gross Domestic Product (SA, Bil.US\$)



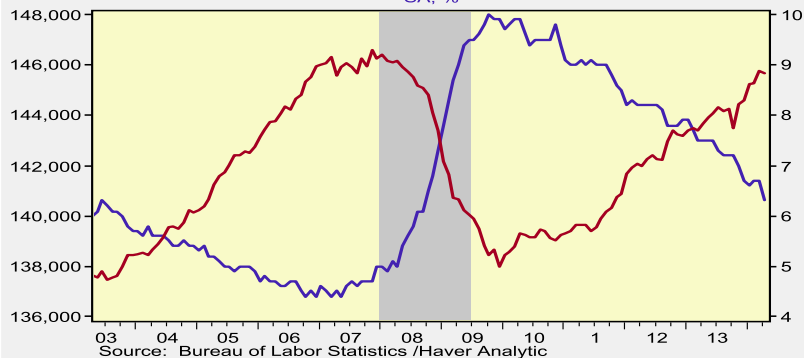
- China GDP is catching up rapidly with US in Purchasing Power Parity measures
- China still well below US in nominal GDP in US\$
- EU28 economy slightly larger than US

United States

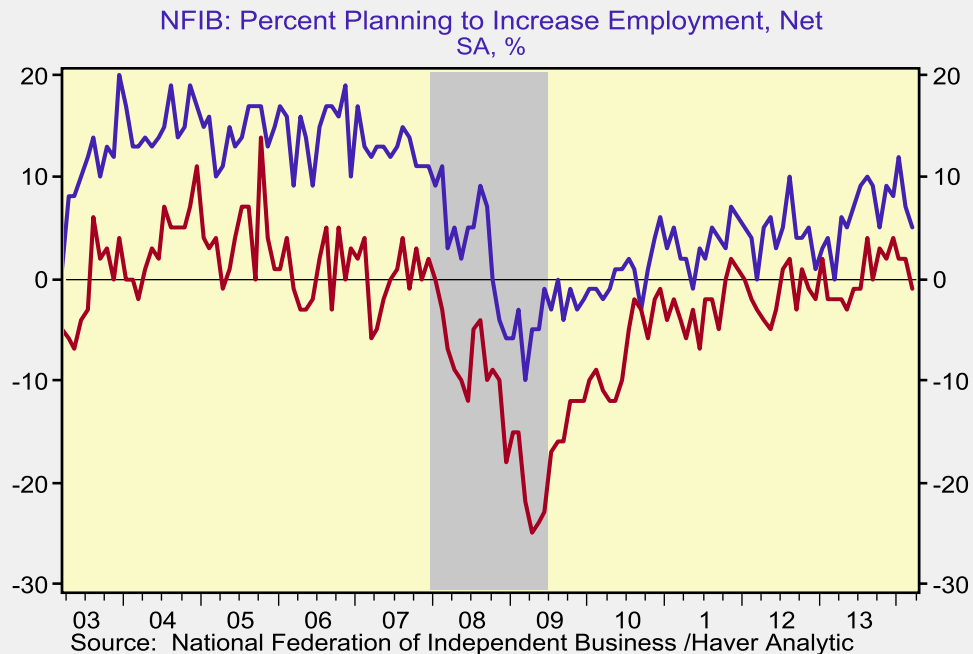
Real Gross Domestic Product
% Change - Annual Rate SAAR, Bil.Chn.2009



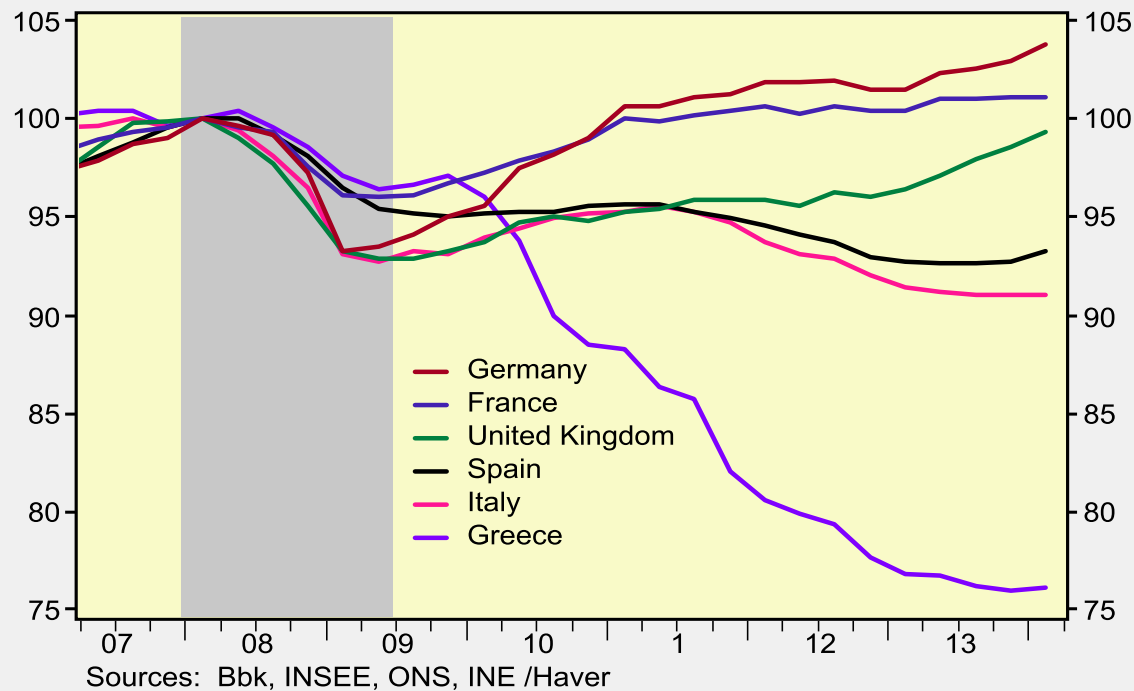
← Civilian Employment
SA, Thou
Unemployment Rate →
SA, %



NFIB: Businesses with Increase in Employment in Last 3 Months, Net
SA, %



Western European Real GDP (2008Q1=100)



Western Europe

Real Growth Improving

(Real GDP Growth,
Seasonally Adj. Annualized)

	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1
Germany	0.0	2.9	1.3	1.6	3.3
France	0.2	2.4	-0.2	0.7	0.1
U.K.	1.5	3.1	3.4	2.7	3.2
Spain	-1.2	-0.6	0.3	0.7	1.6
Italy	-2.3	-1.1	-0.6	0.3	-0.5
Greece	-4.2	-1.1	-2.4	-1.4	1.2

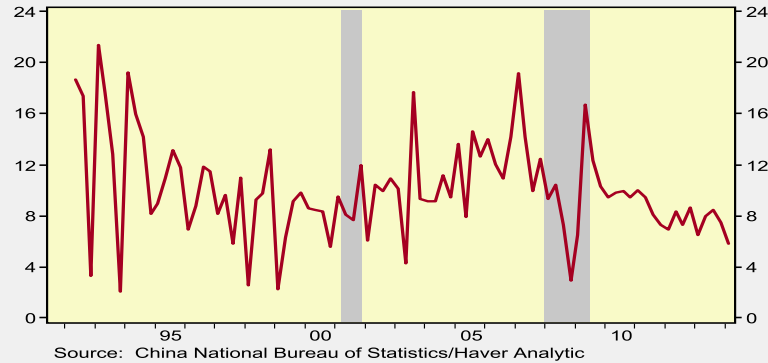
Currency Depreciation Relative to USD from Jan 2, 2013 to May 13, 2014

Argentina	63%
Venezuela	46%
South Africa	21%
Indonesia	19%
Japan	17%
Turkey	16%
Australia	12%
Canada	11%
Russia	10%
India	10%
Brazil	8%
Mexico	1%
China	0%
Poland	-1%
UK	-3%
Eurozone	-4%
S Korea	-11%

People's Republic/China: Spot Exchange Middle Rate, NY Clos
Yuan/US



China: Gross Domestic Product
% Change - Annual Rate SA, Bil.2000.Yua



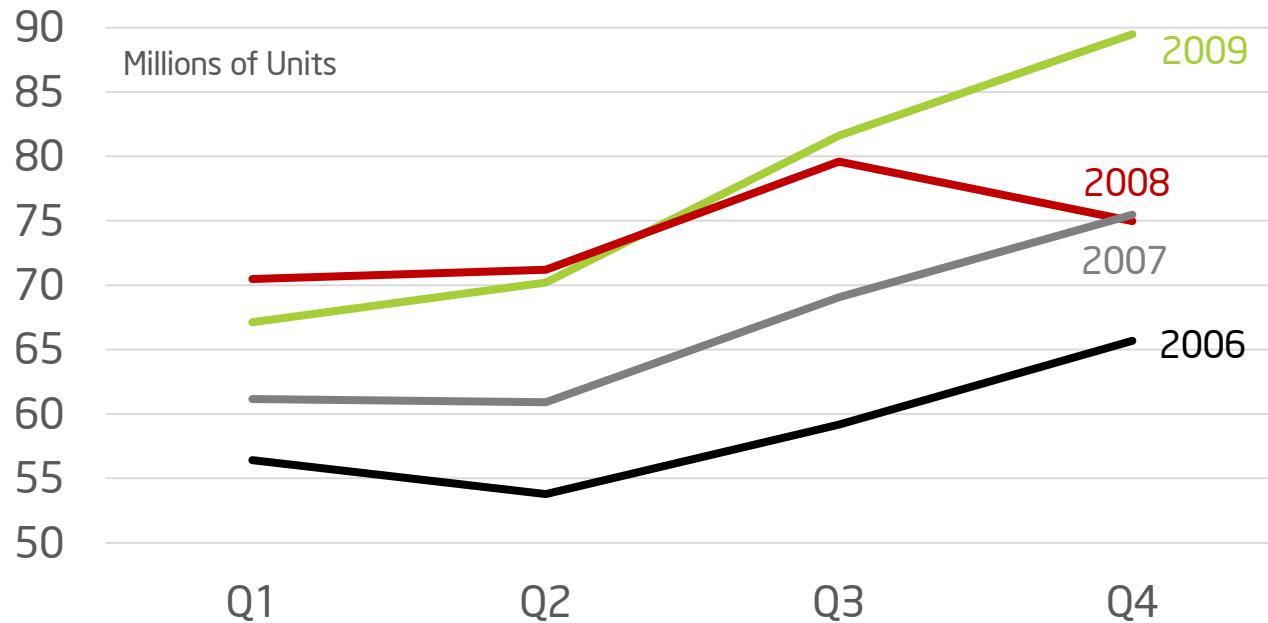
China's gradual slowdown may be worrying PBC, which seems to be guiding recent yuan depreciation.

China real GDP growth in Q1 2014 only 5.8% SAAR. This is the slowest sequential growth since 2008Q4. Year over year growth at 7.4% may overstate growth.

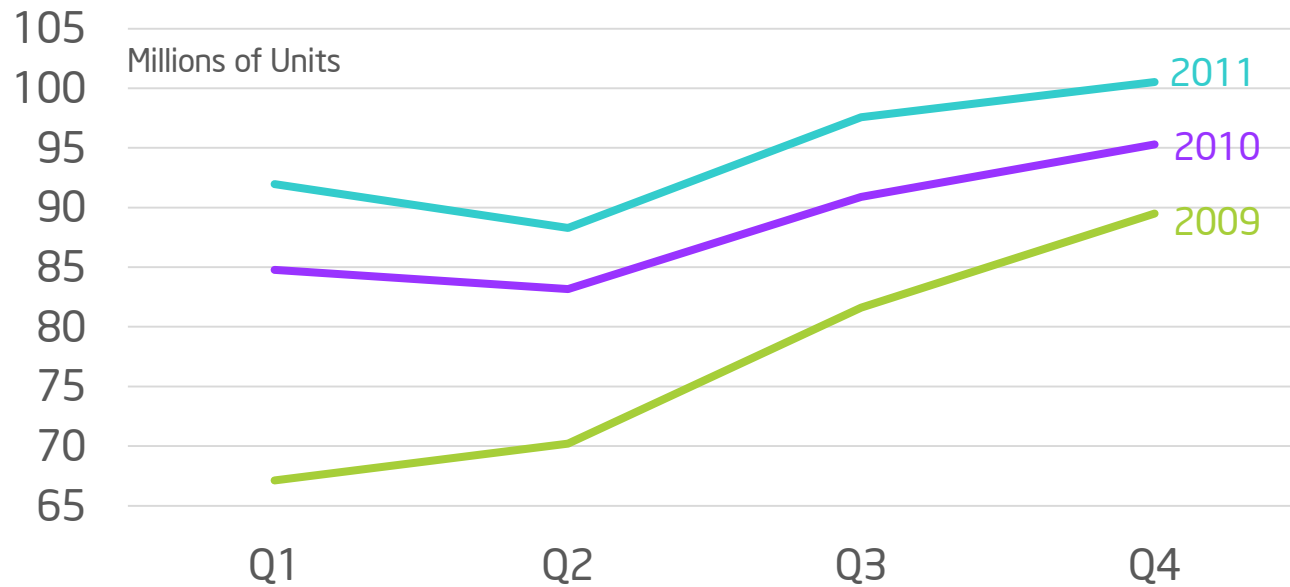
Large foreign exchange depreciations relative to USD weaken purchasing power for markets above the red line.

Market Trends

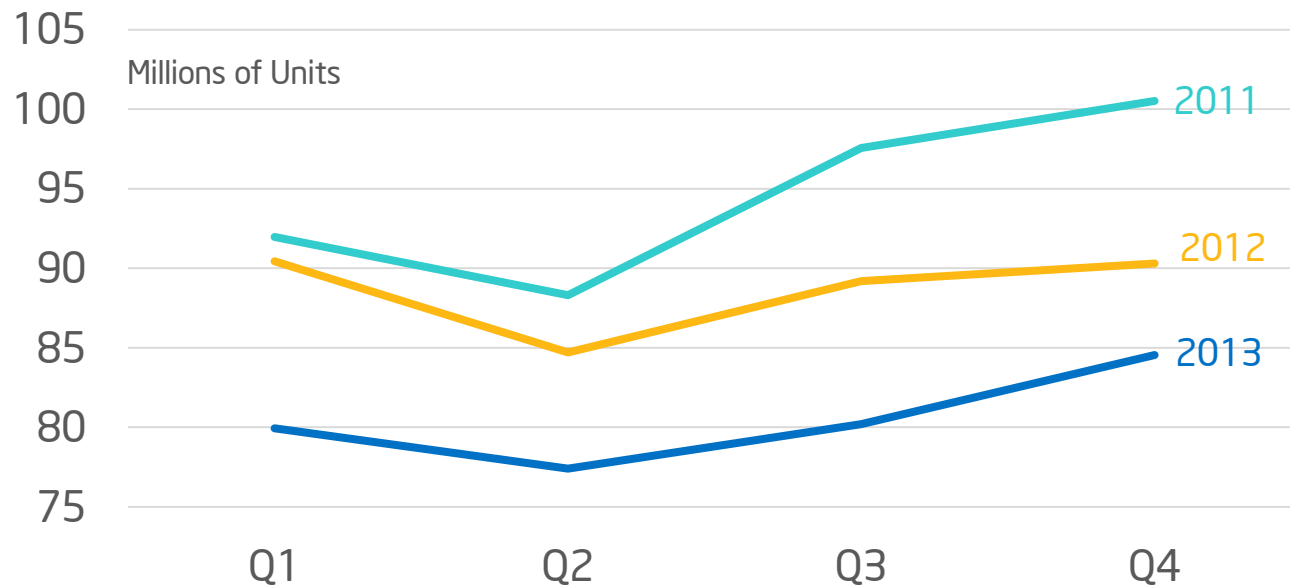
Worldwide Unit Sales of Notebook + Desktop



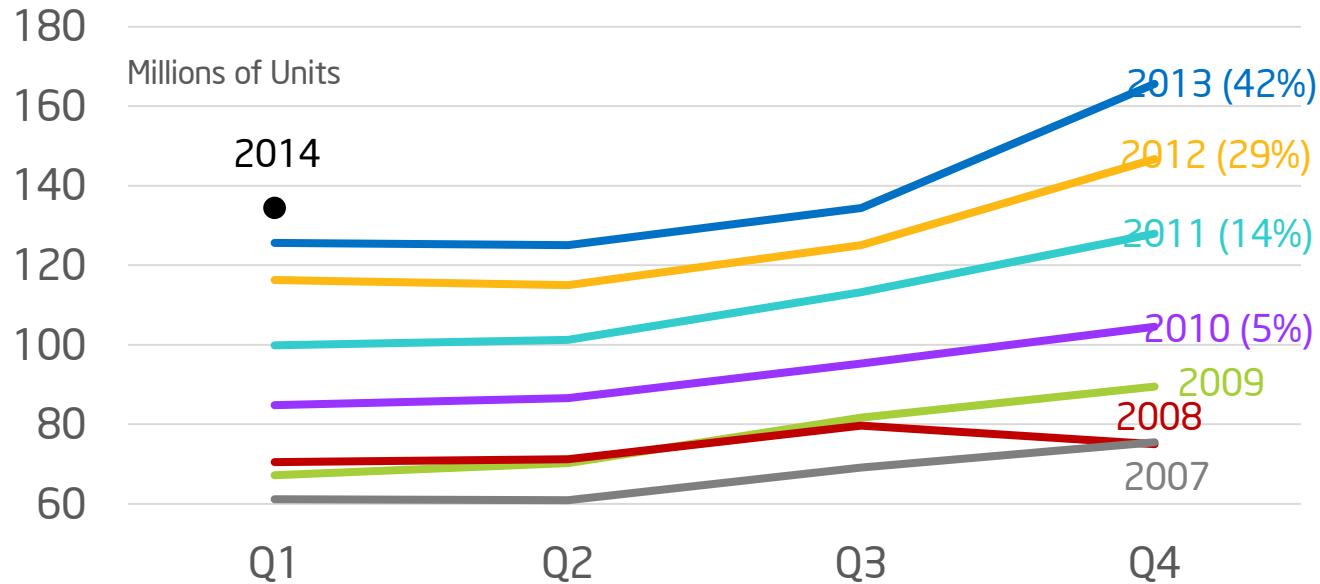
Worldwide Unit Sales of Notebook + Desktop



Worldwide Unit Sales of Notebook + Desktop

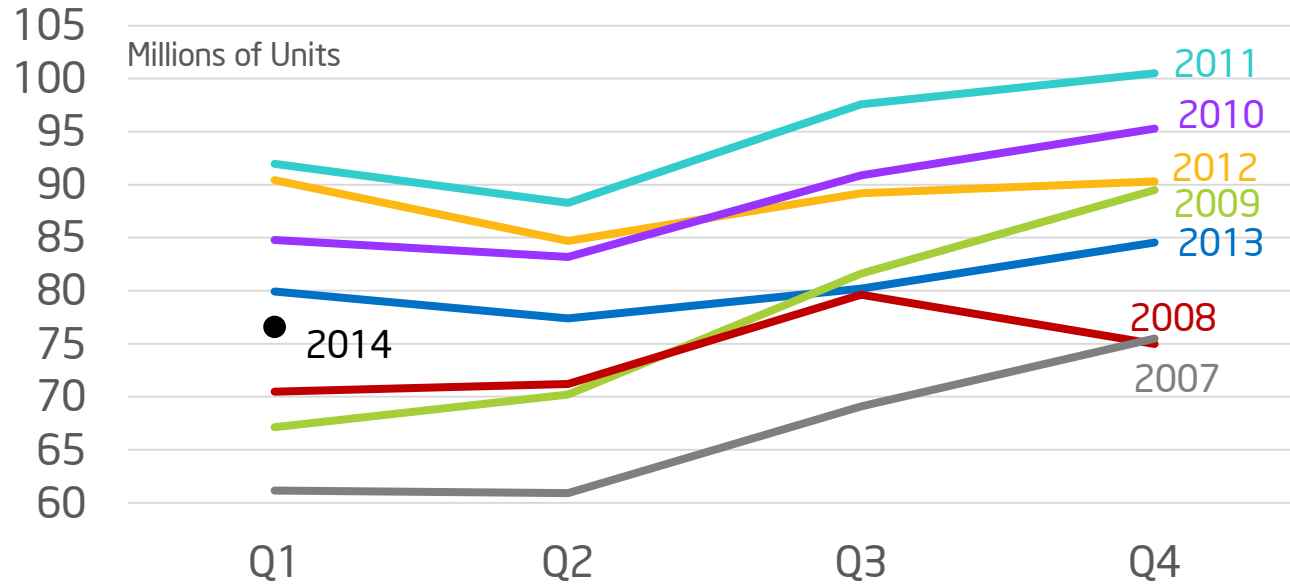


Worldwide Unit Sales of Notebook + Desktop + Tablet... and PCs + Tablets are the New PCs

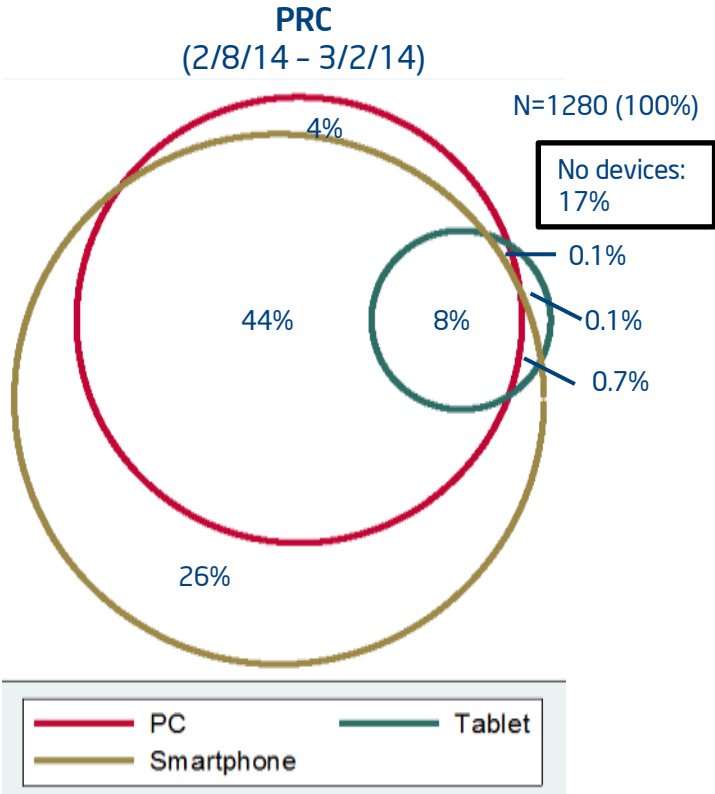
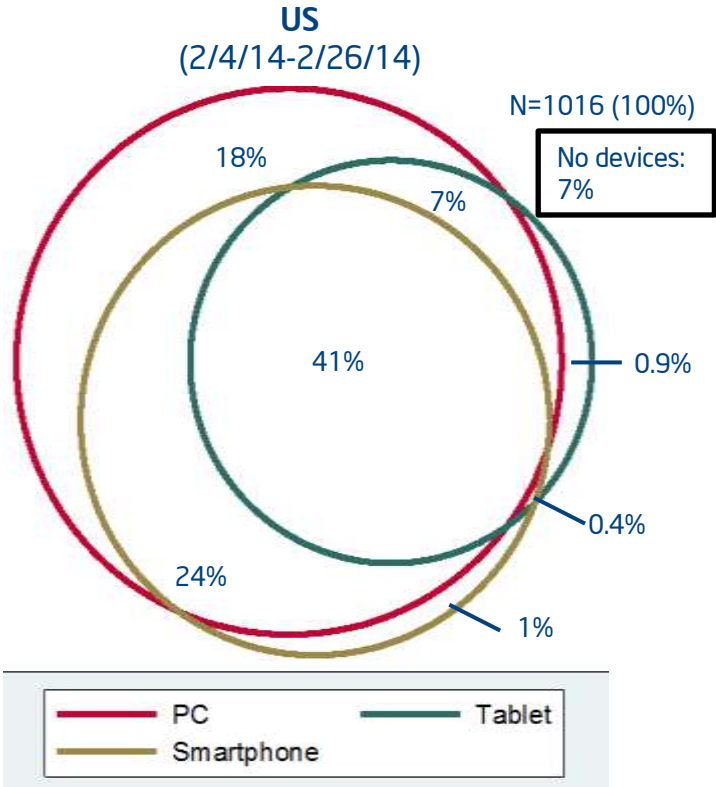


Note: Values in parentheses represent Tablet share of Notebook + Desktop + Tablet

Worldwide Unit Sales of Notebook + Desktop



Multi-device Ownership: US (PC centric) vs. PRC (smartphone centric)



- All values calculated using sample weights.
- Only includes devices that are currently owned AND used in the last 30 days.

Source: Intel

Modeling Nonlinear Processes

- Tendency to call winners and losers when variance and cycles persist
 - Tablets declared winners over PCs
 - Phablets declared winners over tablets
 - Android declared winner over Apple
 - 7" declared winner over 9"
 - Price declared winner over performance
- Shouldn't we expect variety and cycles with saturation effects possibly followed by new growth?
- Won't decline of "losers" create new seams? Is the game theoretic core empty? (Lester Telser)
- Think of consumer choice of electronics as portfolio of capabilities
 - Rotation from old form factors to new and then return to reinvigorated form factors declared over?

